Highlights and Helpful Hints:
AHCCCS FFS Outpatient Hospital Fee Schedule Effective on and after 7/1/2005

- **Billing**
- **Reimbursement**
- **Exhibit 1: UB Fields**
- **Exhibit 2: Revenue Codes Bundled for Surgery and ED**
- **Exhibit 3: Outpatient Pricing Decision Tree**

For dates of service on and after 7/1/2005, AHCCCS reimburses in-state, non-IHS hospitals for outpatient services billed on a UB claim form (Refer to Exhibit 1) using the AHCCCS Outpatient Hospital Fee Schedule. The Outpatient Hospital Fee Schedule will provide rates at the procedure code level, and Surgery/Emergency Department (ED) services will be bundled similar to Medicare for payment purposes (Refer to Exhibit 2). For more information on outpatient hospital billing requirements, refer to the AHCCCS FFS Provider Manual, Chapters 6 and 11.

Billing Outpatient Hospital Services

When billing outpatient services, the following information must be included on the UB outpatient claim:

☑ Units fields must be filled in properly on outpatient hospital UBs in order for payment. All procedure codes require units for payment, e.g., "0" units = no payment for that line.

☑ AHCCCS FFS claims system is using CCI edits for outpatient hospital claims on and after 7/1/05.

☑ Bill Type must be 13X, 7XX or 85X for Critical Access Hospitals (appropriate second and third digits as listed in UB manual must be used).

☑ Service begin date and start of care date should be the same date.

☑ Revenue code(s), HCPCS code(s) and units must be appropriate and reflect all services provided.

- ✓ Revenue codes which are valid only for inpatient services cannot be used for services reimbursed on an outpatient basis.

☑ If the service is an emergency, the Admit Type (field 19) must be a "1."

HCPCS/CPT and revenue codes:

- ✓ AHCCCS requires that outpatient services be billed with an appropriate CPT or HCPCS code that further defines the services described by the revenue code listed on the UB claim form.

  For example, Hospitals must indicate the appropriate revenue code and CPT/HCPCS code for the covered therapy, surgery, Emergency Department, clinic, etc.

Units must be consistent with CPT/HCPCS code definitions. For example, if a hospital bills revenue code 421 (PT/Visit) with CPT code 97116 (Therapeutic procedure, one or more areas, each 15 minutes; gait training), each 15-minute increment represents one unit. If services were provided for 30 minutes, the hospital would bill two units, and so on.

☑ Observation services, without labor, billed on the UB claim form must be billed with a 762 revenue code (Treatment/Observation Room - Observation Room) and the appropriate observation HCPCS procedure code 99218, 99219 or 99220 (note that 99217 is not appropriate for hospital billing). Each hour or portion of an hour that a recipient is in observation status must be billed as one unit of service.

☑ Observation services, with labor, billed on the UB claim form must be billed with a 721 revenue code (Labor Room Delivery – Labor) and the appropriate HCPCS procedure codes. Each hour or portion of an hour that a recipient is in observation status must be billed as one unit of service.

Reimbursement

(Refer to Exhibit 3 for flow chart of Outpatient Hospital pricing decision tree.)

☑ Denial/disallowance at line level

- ✓ If one line of the claim is billed incorrectly, the entire claim will be denied. Incorrectly submitted claims will not deny/disallow at the line level.

☑ CPT/HCPCS and modifiers

- ✓ CPT/HCPCS and modifiers (as appropriate) must be used in combination with Revenue codes to identify services rendered on the Outpatient UB.

☑ Late Charges

- ✓ Late charge bills will no longer be accepted. When billing changes to the claim (including late charges), Hospitals must rebill the entire corrected claim.

☑ Multiple surgeries

- ✓ Multiple surgeries will pay the higher rate surgery at 100% of the fee schedule and secondary surgeries at 50% of the fee schedule (exceptions will be noted for those procedures that are intended to be paid at 100%/100%).

☑ Quick pay discounts and slow pay penalties

- ✓ Quick pay discounts and slow pay penalties are applied to in-state, non-IHS general acute hospital outpatient UB claims according to AHCCCS policy.

☑ Same day admit/transfer or Same day admit/discharge

- ✓ In the event of a Same day admit/transfer, the receiving hospital would be paid the full per diem payment for the date of transfer, provided the hospital bills for at least one accommodation day.

- ✓ AHCCCS reimburses the transferring/discharging hospital's claim using the AHCCCS Outpatient Hospital Fee Schedule.

- ✓ If the hospital bills the claim as an inpatient admission and the AHCCCS system would qualify the claim as Maternity or Nursery tier, reimbursement will be the lesser of:
  All covered charges, using the AHCCCS Outpatient Hospital Fee Schedule,
  or
  The per diem for the Maternity or Nursery classified tier.

☑ Out-of-state outpatient hospital claims

- ✓For dates of service prior to 7/1/2005: Out-of-state outpatient hospital claims are reimbursed using the statewide outpatient cost-to-charge ratio or a negotiated rate.

- ✓For dates of service on or after 7/1/2005: Out-of-state outpatient hospital claims are

reimbursed using the AHCCCS Outpatient Hospital Fee Schedule or a negotiated rate.

Note: The Medicare Outpatient Prospective Payment System (OPPS) reimburses outpatient hospital services using Ambulatory Payment Classification (APC) rates and requires Hospitals to provide more detailed billing on outpatient UB claims. AHCCCS recognizes that hospitals are billing in accordance with the OPPS regulations. However, AHCCCS does not cover the identical services or pay under the same methodology as Medicare. Irrespective of the change in Medicare billing practices, AHCCCS will continue to calculate reimbursement using only those billed charges that represent medically necessary, reasonable, and customary items of expense of AHCCCS-covered services that meet the medical review criteria of the AHCCCS Administration or the contractor.

Exhibit 1: UB Fields Billing for Outpatient Hospital Services for Dates of Service on and After 7/1/2005

17. Admission Date/Start of Care Date — Required

Enter the admission/start of care date in MM/DD/YY or MM/DD/YYYY format. Required for all inpatient and outpatient claims. The date the patient was admitted for Inpatient care, or the start of care date for Outpatient services.

14. BIRTHDATE	15. SEX	16. MS	ADMISSION			
			17. DATE	18. HR	19. TYPE	20. SRC
			02/15/03			

or

			02/15/2003			

18. Admission Hour — Required if applicable

Enter the code which best indicates recipient's time of admission. Required for <u>inpatient claims only</u>. See *AHA Uniform Billing Manual* for codes.

14. BIRTHDATE	15. SEX	16. MS	ADMISSION			
			17. DATE	18. HR	19. TYPE	20. SRC
				19		

24.–

30. Condition Code — Required if applicable

Enter the appropriate condition codes that apply to this bill. See *AHA Uniform Billing Manual* for codes.

In-state, non-IHS inpatient hospitals may request outlier consideration for a claim by entering "61" in any Condition Code field.

To bill for self-dialysis training, free-standing dialysis facilities approved to provide self-dialysis training must enter "73" in any Condition Code field and bill revenue code 841 (Continuous Ambulatory Peritoneal Dialysis, per day) or revenue code 851 (Continuous Cycling Peritoneal Dialysis, per day).

<u>To bill for multiple distinct/independent outpatient visits on the same day, facilities must enter "G0"</u>

44. HCPCS Modifier/Rates — Required if applicable

If the revenue code is for accommodation enter the inpatient (hospital or nursing facility) accommodation rate. For outpatient Hospitals claims enter the appropriate CPT/HCPCS and modifier codes (See Chapter 11, Hospital Services). If a CPT/HCPCS modifier is required, enter the modifiers (up to 4) immediately following the CPT/HCPCS code.
Dialysis facilities must enter the appropriate CPT/HCPCS code for certain lab, radiology, and pharmacy revenue codes (See Chapter 15, Dialysis Services).

	42. REV. CD.	43. DESCRIPTION	44. HCPCS/RATES
1			1,088.00
2			8559559
3			95900
4			

45. Service Date — Required if Applicable

The dates the indicated outpatient service was provided on a series bill. The date of service should only be reported if the From and Through dates in Form Locator 6 are not equal to each other on the form. Enter the date in MM/DD/YY or MM/DD/YYYY format.

46. Service Units — Required

A quantitative measure of services rendered by revenue/HCPCS code must be indicated for all services. If accommodation days are billed, the number of units billed must be consistent with the patient status field (Field 22) and statement covers period (Field 6). If the recipient has been discharged, AHCCCS covers the admission date to, but not including, the discharge date. Accommodation days reported must reflect this. If the recipient expired or has not been discharged, AHCCCS covers the admission date through last date billed.

46. SERV. UNITS	47. TOTAL CHARGES	48. NON-COVERED CHARGES	49.
2.00			
3.00			
30.00			

Exhibit 2: Revenue Codes Bundled for Surgery and Emergency Department

Revenue Code	Description
250	Pharmacy, General Classification
251	Pharmacy, Generic Drugs
252	Pharmacy, Non-generic Drugs
254	Pharmacy, Drugs Incident to Other Diagnostic Services
255	Pharmacy, Drugs Incident to Radiology
257	Pharmacy, Non-prescription
258	Pharmacy, IV Solutions
259	Pharmacy, Other Pharmacy
260	IV Therapy, General Classification
262	IV Therapy/Pharmacy Svcs
263	IV Therapy/Drug/Supply Delivery
264	IV Therapy/Supplies
269	IV Therapy, Other IV Therapy
270	Medical/Surgical Supplies and Devices, General Classification
271	Medical/Surgical Supplies and Devices, Non Sterile Suppy
272	Medical/Surgical Supplies and Devices, Sterile Supply
275	Medical/Surgical Supplies and Devices, Pacemaker
276	Medical/Surgical Supplies and Devices, Intraocular Lens
278	Medical/Surgical Supplies and Devices, Other Implant
279	Medical/Surgical Supplies and Devices, Other Supplies/Devices
280	Oncology, General Classification
289	Oncology, Other Oncology
343	Nuclear Medicine, Diagnostic Radiopharmaceuticals
344	Nuclear Medicine, Therapeutic Radiopharmaceuticals
370	Anesthesia, General Classification
371	Anesthesia, Incident to Radiology
372	Anesthesia, Incident to Other Diagnostic Services
379	Anesthesia, Other Anesthesia
390	Blood and Blood Component Administration, Processing and Storage, General Classification
399	Blood and Blood Component Administration, Processing and Storage, Other Processing and Storage
560	Medical Social Services, General Classification
569	Medical Social Services, Other Med. Social Service
621	Medical/Surgical Supplies, Supplies Incident to Radiology
622	Medical/Surgical Supplies, Supplies Incident to Other Diagnostic Services
624	Medical/Surgical Supplies, FDA Investigational Devices
630	Pharmacy, Drugs Requiring Specific Identification, General Classification
631	Pharmacy, Single Source Drug
632	Pharmacy, Multiple Source Drug
633	Pharmacy, Restrictive Prescription
637	Pharmacy, Self-administrable Drugs
681	Trauma Response, Level I
682	Trauma Response, Level II
683	Trauma Response, Level III
684	Trauma Response, Level IV
689	Trauma Response, Level V
700	Cast Room, General Classification

709	Cast Room, Other Cast Room
710	Recovery Room, General Classification
719	Recovery Room, Other Recovery Room
720	Labor Room, General Classification
721	Labor Room, Labor
762	Treatment Observation Room, Observation Room
942	Other Therapeutic Services, Education/Training

Exhibit 3. Outpatient Hospital Capped Fee Schedule Pricing Decision Tree

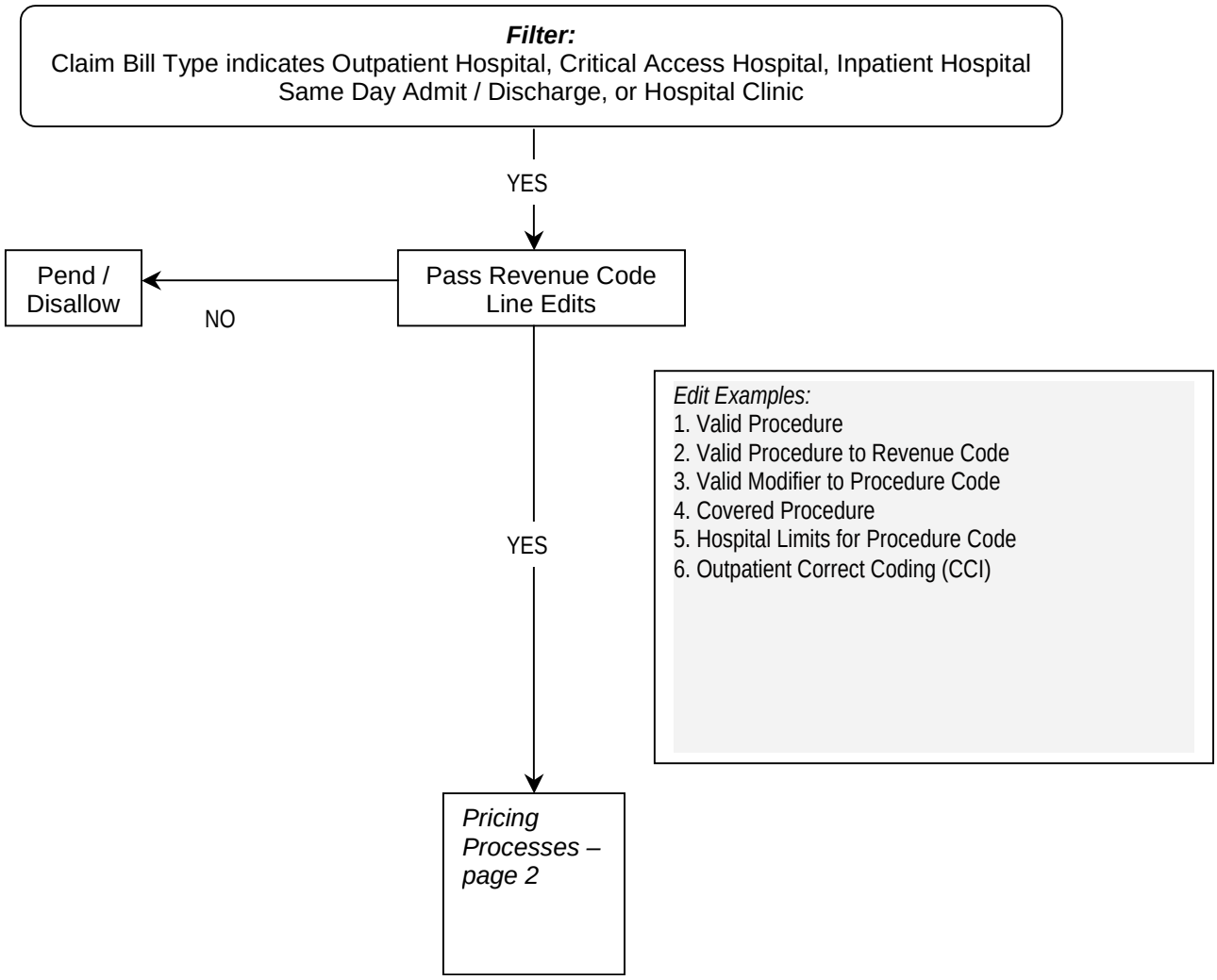

Exhibit 3. Outpatient Hospital Capped Fee Schedule Pricing Decision Tree